CENTRE FOR BRITAIN AND EUROPE

UNIVERSITY OF SURREY

Reset or Recalibration?

Brexit's Impact on UK and EU Foreign Policy

AUTUMN 2021

Based in the Department of Politics, the Centre for Britain and Europe is a Jean Monnet Centre of Excellence, providing high-quality, research-based analysis to a wide range of stakeholders on the most salient issues affecting the UK, Europe, and their various relationships.

Britain and the EU alike are heading into new waters. The December 2020 Trade and Cooperation Agreement (TCA) allows for a wholly different set of options for EU-UK relations. Some of these are already proving contentious, including the integrity of the EU and United Kingdoms' single markets, and upholding the Good Friday Agreement

Beyond the TCA, the UK has an opportunity to establish relationships with individual European states, the USA under President Biden, as well as forging ahead on its own 'Global Britain' foreign policy agenda. Meanwhile, the EU continues its own post-coronavirus recovery, along with an ambitious EU Green Deal, designed to boost environmental investments, digitalisation, biodiversity, and more.

2

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UK Strategic Context

On the 24th of December 2020, the Trade and Cooperation Agreement (TCA) was agreed between the UK and EU, covering a range of intensely negotiated preferential arrangements across a host of areas. Touted by the UK as a 'no tariffs , no quotas' trade deal on goods, the EU regarded it rather differently, arguing that "it will by no means match the level of economic integration that existed while the UK was an EU Member State". What both sides could agree on is that the TCA broke new ground for the EU and the UK alike, in going far beyond a standard free trade agreement (FTA), in political terms, providing "a solid basis for preserving our long-standing friendship and cooperation."

Covering trade in goods and to a lesser extent services, the TCA also includes alignment on digital trade, and associated areas including intellectual property and public procurement, as well as the logistics of cross-partner aviation and road transport, energy, fisheries, social security coordination. For optimists, the inclusion of thematic cooperation and participation in Union programmes including Horizon Europe, as well as a workable level playing field and respect for fundamental rights was cause for celebration. For others, the parsimonious treatment of key areas including law enforcement and judicial cooperation in criminal matters was and remains a cause for concern.

> **The Trade and Cooperation Agreement was signed on 30 December 2020, was applied provisionally as of 1 January 2021 and entered into force on 1 May 2021.**

Along with an armada of joint declarations, the TCA core text contains three core pillars :

- the free trade agreement (representing the central socio-economic partnership, including transport, mobility and energy);
- a cooperation framework between EU and UK police and judicial authorities (covering civil and criminal issues);
- a governance structure enabling the TCA to operate in practice (Partnership Council structure, dispute settlement and retaliation elements).

Ongoing Internal Security Challenges

Key strategic issues remain. As CBE expertise pointed out earlier in 2021, foreign and security policy remains wholly absent from the TCA (at the request of the UK), and the cross-border cooperation framework on police and judicial cooperation remains incomplete. Despite general provisions on basic areas including the sharing of some passenger data, access for the UK to some EU databases, and ex¬tradition, the UK's reduced third-party status within Eurojust and Europol, loss of access to the Schengen Information System (SIS II), and overall loss of 'the influence and leadership the UK previously enjoyed in shaping the instruments of EU law enforcement and judicial cooperation' renders the current outcome zero-sum at best.

In foreign, defence and security policy challenges, both sides will be working separately, at least in the short term. Despite significant common interests and common understandings of the challenges and threats they face, the UK will take time to work out the nature of its foreign policy cooperation with the EU, and whether these in turn are wholly autonomous, or parallel, or broadly aligned. Nowhere is this more starkly seen than in the Integrated Review of Security, Defence, Development and Foreign Policy published by the UK Government in March 201, which largely ignores the European Union in strategic terms, concentrating instead on UK ambitions as a leading European defence actor, and focusing on multilateral venues like the UN and NATO, as well as bilateral relations and ad hoc groupings with leading EU Member States.

Rather than establishing post-Brexit options with the EU, the Integrated Review pivots the UK towards an identity as a "problem-solving and burden-sharing nation with a global perspective", operating "at the heart of a network of like-minded countries and flexible groupings, committed to protecting human rights and upholding global norms." Plenty of possibilities remain, however. Former British Prime Minister Theresa May and her successor, Boris Johnson have both declared that while the UK is leaving the EU, it is not leaving Europe. To put this into practice however, the UK's post-Brexit foreign policy now needs to move from the rhetorical flourishes attached to its 'Global Britain' policy to construct cooperative relationship with the EU, and its other significant ally, the US.

3

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UK Constraints

Relations with the EU

Britain's relations with the EU throughout the negotiation and transition period have been tempestuous. Post-Brexit changes continued to provoke controversy on issues including Northern Ireland and the border and Covid-19 vaccine stocks. Some spats, including diplomatic protocol could have been avoided, including the UK's initial decision to deny the EU ambassador full diplomatic status on the basis that the EU 'should not be treated as a nation state', despite 142 countries already granting the EU this status. Whilst this was subsequently resolved, the fracas was a symptom of a wider issues that the UK now needs to resolve, i.e. how to deal reliable and effectively with the EU in its new role as a third party vis-à-vis EU programmes, and an ex-EU member state in relation to individual EU Member States and the EU's core governance structures, including its Council, Commission and Parliament. Post-Brexit Britain needs to consider how to transition in diplomatic terms from ex-member to new partner, and in economic terms from one of the club to one of many.

While positive bilaterals may ease this transition, bilateral spats are equally likely, as illustrated in the dispute over fishing access in May 2021. Arising from a lack of clarity in the TCA itself over the full scope of fishing areas, access, quotas and permits, various skirmishes with fishing boats around Jersey saw threats escalate on both sides from the deployment of naval vessels to threats to halt electricity supplies to the island. In a sign of continuing trends, both Anglo-French and wider UK-EU tensions were dragged into the subsequent G7, complicating Britain's ability to ensure a wholesale shift in post-Brexit diplomacy.

The Irish Border

Relations involving the UK, the EU, Northern Ireland and the Republic of Ireland were the single greatest challenge during the UK-EU negotiations; they remain the central obstacle to a peacable post-Brexit. Vows on all sides to ensure no hard north-south border has steadily eroded in the face of practically implementing a border designed to simultaneously maintain two very different markets. The Northern Ireland Protocol has created both a structure for goods-based checks relocated to the ports, and deeper political uncertainties within Northern Ireland over its ambiguous status. 2021 has seen both political and violent protest resulting in civilian and police injuries, and damaged property.

The UK government argues that is it not able to trade freely within in its own union, and requires immediate changes to the Protocol. The EU will continue to resist this, because it in turn requires requisite checks on goods entering its Single Market. If both sides can reach an accommodation over the necessary checks, the EU is likely to become more accommodating on a series of other issues, such as financial services and the rules governing electricity interconnectors, where the UK needs the EU's goodwill". The temporary deal allowing chilled meats into Northern Ireland is a good example of this, allowing supermarkets time to source products and ingredients elsewhere. Failure to identify a broader solution however will see both ongoing infractions on either side, and the NI Protocol itself become bargaining chip for unrelated UK-EU disputes elsewhere.

4

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UK Opportunities and Priorities

During the last decade, the UK has been increasingly conspicuous by its absence from a number of key international crises including the Ukraine Crisis and Syria. Various allies and forums have begun to question the vitality and indeed relevance of UK foreign policy. Recent decisions at the UN over the Chagos Islands and its loss of UK representation on the ICJ for instance have deepened the sense of Britain operating only at the margins of international relations. Policy drift is dangerous, particularly if events like Brexit are viewed externally as accelerators rather than opportunities.

UK Diplomatic 'Absenteeism'?

UK foreign policy on critical issues including China, Hong Kong, the Uyghur Genocide, Ukraine Crisis, Syria, and European security and defence have frequently been opaque at best. Some UK responses are smack of complacency particularly regarding Hong Kong, alongside current policies to forego direct cooperation with the EU on foreign and security policy, and support of the COVAX regime. Others however are akin to near-permanent diplomatic absenteeism, chiefly the cutting of both ODA funding from 0.7% to 0.5% of Gross National Income (GNI). The latter is particularly baffling given the government's determination to transform Global Britain into a 'soft power superpower', which itself is directly connected to the country's ability to invest in research innovation and support global development needs. Indeed, the UK has been a global leader in fighting against poverty, disease, mortality, disenfranchisement and illiteracy through key ministries like Department for International Development, key allies like the EU and a generous development budget. With the 2021 budget cuts to ODA, the UK now risks weakening its leading role in development best practice, undermining critical global development needs including humanitarian aid, and 'chilling' research innovation.

While the positions taken by the UK in opposition to Russia, and in support of Hong Kong, suggest renewed impetus, a revamped and indeed proactive commitment will be needed for the UK to claim an effective and sustainable post-Brexit role within global affairs. This is particularly the case is the UK wishes to retain pre-Brexit mantles including its advocacy of norms like human rights, democracy and the rule of law, as well as support for the international rules-based system. AS explored below, reputation-building can be undertaken alongside the parallel reinvigoration launched by the Biden administration of post-Trump US, with a revivified trans-Atlanticism one possible beneficial outcome. The updated Atlantic Charter for instance sets the scene for future security and defence collaboration, and reaffirms commitments to post-Covid recovery.

UK-US: The Special Relationship

As the 2021 Integrated Review makes clear, Britain's global influence "will be amplified by stronger alliances and wider partnerships – none more valuable to British citizens than our relationship with the United States." The Biden administration has demonstrated a willingness to reinvigorate the US-UK relationship, as indicated by the broad principles of the Atlantic Charter launched at the June 2021 G7. But both sides have work to do. Biden will seek to rework US relations with NATO, the EU and the UK, while the UK will be keen to reposition itself simultaneously alongside the US while distanced from Europe. While both share a commitment to multilateralism, European collective security, renewed interest in the Asia-Pacific region and tackling climate change, tension over the UK's ability to handle Brexit's implementation in Northern Ireland remains.

Finally, the diplomatic fallout between the UK and the US over the withdrawal of troops from Afghanistan in summer 2021, as well as its future geopolitical implications is also likely to put serious strains on the relationship. While the US appears determined to leave behind all semblance of responsibility in the country, the UK may find itself under political, military and social pressures to accommodate Afghans who have supported the British government, and to work with its European partners in addressing the humanitarian and migratory issues likely to engulf the region.

5

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EU: Rebuilding Anew

While the TCA and the Integrated Review represent Britain's short-term preferences in the aftermath of Brexit, they may yet prove staging posts rather than a diplomatic endpoint. Three key opportunities present themselves.

Security and Defence: The UK will continue to play a leading role in NATO, including strategic nuclear deterrent, current and future NATO exercises, and regional forward deployment. The UK may in the medium-term pivot to ad hoc or event limited commitments for EU security and defence ambitions. Most likely, ensuring continued UK participation in high-value European technology and capability programmes, naval counter-piracy operations, possibly negotiating an avenue into discrete capability structures including Permanent Structured Cooperation (PESCO).

Alternative Forums: New formats for post-Brexit engagement including NATO, the UN, OECD and the OSCE will become all the more important. While none can match the EU for the intensity of engagement and coverage of policy issues, alternative venues at least allow the UK a route to return, leveraged strategically via new alliances, and emerging needs. Ironically, the UK's determination to showcase Global Britain as a force beyond Europe, may allow it to be drawn upon by European partners keen to expand their presence in key theatres. Certainly clear and present risks involving Russia and China represent both wholesale 'systemic challenges' to contemporary Britain, and opportunities to contribute alongside European allies, and align with the US in a reworked Western alliance.

Boosting Bilaterals: The UK's former EU partners will be keen to retain and develop bilateral links, with security and defence co-operation with France and Germany likely to take precedence, followed by Italy and Poland. These may set the stage for longer-term objectives on shared strategic threat assessments, and avant-garde military formats, followed by cooperation in other areas including development. Indeed, early post-Brexit developments suggest a preference by the UK to seize upon bilaterals to rebuild bridges, and craft an 'outside-in' approach to reworking its relations with the EU. Agreeing to revive the annual Anglo-Franco summit between defence and foreign ministers has for instance helped rebuild some (though not all) aspects of the especially fraught UK-France relations, with French foreign minister Jean-Yves Le Drian concluding that both ses enjoyed "congruent views, shared analysis or common interests. We are neighbours. We cannot sit there immobile staring at one another".

Similar overtures followed in June 2021, with a UK-Germany joint declaration as the centrepiece of Angela Merkel's last visit to the UK as German Chancellor. Here, both sides agreed to their own annual Foreign Ministers' bilateral conference bolstered by commitments to ensure common approaches – crucially within the European neighbourhood – as well as further afield, underwritten by the obligatory reference to supporting the 'multilateral rules-based global order'. Taken together, the emerging picture is a positive one, with both Paris and Berlin taking clear steps to retain and even strengthen their bilateral cooperation with post-Brexit Britain.

6

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Integrated Review Highlights

The UK's Integrated Review includes a range of plans on security, climate, health, and science and technology. Highlights include:

- **Defence**
  - *World-leading security and intelligence; 2nd highest defence spender in NATO and highest in Europe;*
  - *'Indo-Pacific Tilt': enhancing military presence in the Indo-Pacific region to protect upcoming interests;*
  - *Sustaining a strategic advantage through science and technology; establishing the National Cyber Integrated Security Centre and the National Cyber Force;*
  - *3rd most powerful cyber nation in the world, ranking top in defence, strategic intelligence and offensive capabilities.*

- **Soft Power**
  - *4th largest diplomatic network with 281 posts in 178 countries and territories, with a seat in every major multilateral organization;*
  - *Ranked 3rd for soft power in the world; utilising BBC, British Council and new Turing Scheme structures.*

- **Economy**
  - *5th largest economy globally;*
  - *11.5% of all global foreign-listed companies worldwide listed on the London Stock Exchange.*

- **Research, Innovation and Health**
  - *UK ranked 4th in the Global Innovation Index, home to leading medical research (e.g. vaccine development);*
  - *Building health resilience; bolstering domestic and international action to address global health risks.*

- **Climate Change and Sustainability**
  - *World leader in climate action, committing £11.6 billion between 2021 to 2026 to International Climate Finance; enshrining stringent emissions reduction targets in law;*
  - *Tackling climate change and biodiversity loss; accelerating towards net-zero by 2050.*

HM Government

Global Britain in a competitive age

The Integrated Review of Security, Defence, Development and Foreign Policy

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7

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8

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EU

EU Strategic Context

Brexit entails the UK stepping down from key institutional, political, legal and economic structures of European foreign policy. From the EU perspective, the UK's withdrawal from the EU is more about stepping beyond institutionalized decision-making and budgetary structures rather than abdicating wholesale from regional engagement in Europe. This is particularly the case in defence and security, where UK decision-makers were "at pains to reassure their allies in central and Eastern Europe that the UK's permanent military commitment to the collective defence of their territories will not change as [a] result of Brexit". Equally, British departure form the EU will remain significant to its structure and integrationist philosophy for some time to come. Reworking institutional, voting, and budgetary programmes will need to be followed by a strategic rethink in terms of where the EU sees its place regionally and globally absent the UK. The slow burn of enlargement remains an option, albeit a medium-term one. The US has indicated its support of this strategy, encouraging North Macedonia-EU accession talks "as a positive way forward".

Covid vs. Cohesion

Enhanced security and defence options also remains on the table after significant development in the past five years. For both accession and strategic and security-related development, enhanced internal cohesion is an absolute must; yet the demands of collective responsibility in response to Covid saw the EU beset by rancour at key points of the pandemic. Although initially attempting to act uniformly in organising region-wide vaccines supply and distribution, various member-states opted to source their own vaccines, including from sources in China and Russia.

Spats with AstraZeneca over contractual obligations initially succeeded in securitising vaccines in general and worsening relations with the UK over the Northern Ireland Protocol. Vaccine nationalism however is not confined to the EU alone, and the region has gradually begun to iron out imbalances in rollouts with improved internal agreements and with Pfizer and Moderna vaccines increasingly plugging the AstraZeneca gap.

EU Constraints

Reputation and Responsibility

Brexit has dealt a blow to some, but certainly not all aspects of the EU's ability to operate as a regional, and global actor. As explored below, there are plenty of options on the table. However, there are three long-standing significant constraints that could complicate its ambitions: its own internal cohesion, and its relations with Russia and China. As explored elsewhere by the CBE, "visions of Europe as a community of values and the EU as a normative foreign policy actor have long been contested". The EU will need first to ascertain across all its members whether its "original integrationist rationale is still fit for purpose", particularly in light of persistent and pernicious 'values-drift' among its own Member State. This has not only thrown into question the EU's own internal value-set, but the rationale of how those same values are exported within its foreign policy. In this sense, Brexit is far less of a dilemma than the EU's need to rework its regional goals and global ambitions, particularly in relation to pressing issues within its own neighbourhood. The EU's credibility as a foreign policy actor relies on a sharper sense of what it is, as an actor, and what it is legitimately entitled to undertake, in terms of migration, climate change, and of course, geopolitics.

9

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Russia-EU relations will always prove contentious. Both sides go through periods when they are deeply divided, followed by attempts at rapprochement. Keeping both sides apart are geopolitical disputes over Ukraine and the status of Crimea, annexed by Russia in 2014, as well as the changing fortunes of energy security arising from EU reliance on Russian gas and pipeline network. With its own relations with Russia at rock bottom, Britain had proved a helpful foil for the EU, enabling it to set and maintain a hard line on key issues. Sanctions over Ukraine are likely to remain, but energy links with Germany arising from the construction of a second major offshore pipeline may prove a helpful diplomatic emollient. Such shifts are tough however; Russian government support for Belorussian President Lukashenko, the unlawful detainment of opposition leader Alexei Navalny, coupled with poor-quality engagement by both sides when EU HRVP Borrell first visited Moscow suggest that the 'spheres of influence' logic will persist, despite recent attempts by both French President Macron and German Chancellor Merkel to warm up east-west relations.

China-EU relations have historically been less contentious than EU-Russia relations, but things are changing with an increasingly assertive Beijing and the leadership styler and ambitions of President Xi Jinping. At the end of 2020, the two sides struck an ambitious Comprehensive Agreement on Investment (CAI), which would have paved the way for far greater economic cooperation. However, the European Parliament then voted in May to freeze consideration of the CAI over Chinese retaliatory sanctions following the EU's decision to apply sanctions against Beijing over treatment of the Uyghur population in Xinjiang province. The EU's High Representative Josep Borrell recently announced a wholesale review of its relationship with China, despite having carried out a similar exercise in April 2021. There has been considerable pressure from both Emmanuel Macron and Angela Merkel to improve relations with Beijing, including the revival of the joint EU-China annual summits, and removal of the labelling of China as a 'systematic rival'. However, these attempts have not landed well across the entirety of the EU, with Lithuania remaining a vocal critic of China's human rights practices, arguing for the UK and the US to join the EU in taking a stronger, joint stance against Beijing.

10

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EU Opportunities & Priorities

A Green Recovery

Post-pandemic recovery continues to drive EU priorities, influences everything from budget to climate change responses. Member States operate individual national regulations but appear more unified in agreeing and implementing recovery packages. This includes NextGenerationEU, which at €1.8 trillion represents the largest stimulus package ever financed in Europe, helping the continent recover from the effects of Covid-19, while simultaneously stimulating efforts at climate change mitigation, digitisation and improved "competitiveness of the European economy".

Somewhat surprisingly, the pandemic has not greatly undermined the EU's initial 'Green New Deal', which was first announced in 2019, with the aim of transforming the EU into the first wholly climate-neutral continent by 2050. Its goals include programmes to ensure equitable transitions across all member states, clean and secure energy, modernised industry, clean air, and the protection of biodiversity. However, future-proofing the continent comes at a significant cost, in this case up to €1 trillion, with €503 billion sourced directly from the EU, with the remaining funds to be secured via investments from InvestEU, the Just Transition Mechanism, the European Investment Bank (EIB) and other private and public sources.

Fit for 55

In order to get the EU firmly on track to attain its 2050 net-zero emissions goal, EU legislators must first finalise the union's overall climate target for 2030. 2030 is something of a halfway house, with EU heads of state having finally agreed to a 55% greenhouse gases (GHG) reduction in December 2020 (still short of the European Parliament's 60% target). The agreed average is then enshrined within the new European Climate Law. However, the law itself only the precursor for the enormous range of accompanying EU legislation needed to pull the rest of European law into conformity with the EU's new 2030 climate objective, as well as keeping its 2050 net-zero emissions goal remotely viable. Dubbed 'Fit for 55', the European Commission will overhaul policies both internal and external in line with its centrepiece climate goal for 2030. Coupled with the significant costs of offsetting Covid, the question is where the EU's budgetary limits are ultimately likely to be in terms of other areas, including migration, education and development.

Rebooting the 'Geopolitical Commission'

It seems an age since European Commission President Ursula von der Leyen announced the goal for a 'geopolitical Commission'. The original idea stemmed from a profound need for EU action in areas near and far, from reworking EU-UK diplomacy, to tackling declining relations with the US and China, from frozen neighbourhood conflicts to the perceived crisis of multilateralism. None of these issues has vanished. Indeed, many are even more chronic, including the vulnerability of Europe's own supply chains, as well as enduring volatility in flashpoints like Belarus, the eastern Mediterranean and Mali. A geopolitically self-confident EU is therefore a much-needed addition to the global landscape. As outlined above, rebuilding the EU's 'actorness' requires acknowledging the uncomfortable, semi-permanent contestation over the EU's own foreign policy, and its ability to operate viably and legitimately within the structures of Western-led liberal global order.

For EU foreign affairs to become a viable structure capable of generating real change for the right reasons - including reconnecting with Britain – serious recognition is needed of the EU's profound internal governance issues, and the consequent increasing politicisation of EU foreign, security and defence policy. This acknowledgment will at least allow the EU to approach its serious but ultimately recoverable setback in international relations judiciously, better able to plan proactively for future challenges to its key values and combative relations states and institutions.

11

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European Strategic Autonomy: Fillip or Foil?

In terms of security and defence, Brexit presents something of a double-edged sword to the EU. Critically, the architecture of EU defence now has a major hole in it, absent the UK's military power, global reach, diplomatic expertise, nuclear deterrent, UNSC permanent seat, as well as having contributed roughly 25% to the EU's overall defence spend and 20% of its national capabilities. Equally, the opportunities to finally move ahead without awkward UK pragmatism tripping up European security and defence ambitions are clear. Certainly Brexit "has created considerable momentum in EU security and defence policy" allowing four major initiatives to roll ahead, from EU Military Headquarters, PESCO, the European Defence Fund and the Coordinated annual Review on Defence (CARD).

A first step is to reconsider the concept of European strategic autonomy, in its twofold ability to define the scope of EU external action and depth of its defensive capability. Here the absence of the UK may enhance the permissive conditions needed for EU diplomatic and defence ambitions. Equally, the onus is on the EU to redefine its strategic priorities on its own terms. The Biden administration will support and encourage a more proactive, organised EU. It is after all "in the interest of Europeans that they act strategically to advance their own security and prosperity – and the transatlantic relationship remains essential to that strategic picture". What is less clear to non-EU audiences is how the EU itself defines strategic autonomy: as long-term plans designed to anchor the cardinal interests of the world's most integrated region, or peripatetic "non-strategic unilateralism" sprinkled over random policies?

Cross-Channel Currents

Despite the tensions over the TCA, Brexit must be regarded now as an opportunity for the EU to establish a new relationship with the UK. While the TCA deliberately excluded many issues, it is likely that many including regional security, defence, as well as climate change and even development may shift back into view in the medium term. Rather than the internal antagonisms over Britain's persistent need to use opt outs and opt ins to demonstrate its individuality, the EU can use its array of "flexible third-country participation"

particularly prevalent within foreign policy as the least integrated area of policy, helping ultimately to cultivate a 'philosophy of parallelism'.

Recalibrating relations however is not likely to take place overnight. Quite apart from the backdrop of disappointment and scepticism among European partners arising from the "progressive loss of trust in the UK as a future partner" and the EU's own "unexpectedly strong defence of the Single Market and of Ireland's sovereignty", the sheer change entailed in institutions, processes and policies is enormous. In terms of broader foreign affairs cooperation however, the EU and UK are natural partners in climate change, rebuilding transatlantic relations with President Biden, re-engaging with Iran in nuclear talks and ensuring regional security within NATO and vis-à-vis Russia. Broad agreement are the place to begin. From there, frameworks and strategies can gradually be developed.

The United States: Temporary Truces or True Allies?

After the excessive strain on US-EU relations imposed by former president Trump on everything from NATO's existence to multilateralism, relations with Russia, China and climate change, President Biden is keen to rebuild links with the EU. Both sides share geopolitical concerns regarding Europe and its neighbourhood as well as global issues including climate change, post-Covid growth, and the promotion of democracy and human rights. The EU and the UK are likely to expedite their alignment on matters geopolitical via the resurrection of high-level dialogues. Equally however, there are just as many areas that could hamper relations between the EU and the UK, almost all connected to trade and regulation.

Despite agreeing to "temporary tariff truces" on historic spats between Airbus-Boeing and on aluminium and steel duties, hammering out agreements to finally resolve long-standing transatlantic trade disputes is the real goal. While trade may see gradual alignment, EU-US business and particularly procurement is likely to remain touchy. Here, Biden's 'Buy American' platform will pit US companies against the European Commission keen to promote not only EU industries but to deploy an array of legal tools to ensure reciprocity in all large public contracts.

12

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Other hotspots include retaining or waiving Covid vaccine patents, the use and treatment of data flows, and scope of emerging AI regulation. While the G7 saw cooperation on taxing big tech, COP26 may actually highlight transatlantic difference in climate governance rather than serving as a platform for EU-US unity on the topic of carbon border taxes, touted by the EU but opposed by the US which does not operate a federal climate price, and unlikely to do so, with Biden leaving carbon pricing out of his plan altogether; however, hints from John Kerry, Biden's climate envoy, suggest carbon pricing may soon be considered. US energy attitudes have also sown discontent within the EU, with Biden failing to oppose sanctions on the construction of Nord Stream 2, the natural gas pipeline between Russia and Germany. This time around, Biden preferred to prioritise good relations with Germany, and at least decent relations with Russia; in the process however, he has incurred the anger of Ukraine and Eastern European states who rely either upon transit tariffs for pipelines crossing their states or upon Russian natural gas, and were counting on Biden's support for post-Soviet states in Europe. Lastly, the EU may find itself pressed by both the UK and US into a more central role regarding

Afghanistan; this could range from asylum and humanitarian support to wider regional initiatives in conjunction with the UK. EU relations with the Biden administration on Afghanistan may well remain chilled for the latter part of 2021.

Conclusion

Good faith will be needed on both sides. Neither side can now afford coordination that is haphazard and non-committal. While the onus is on Britain to clarify the details both of its overarching 'Global Britain' approach and the details of the Integrated Review of Security, Defence, Development and Foreign Policy, the EU has a parallel responsibility to commit to a range of outward-facing opportunities, beginning with a Covid-proof Global Strategy. Within the framework of these key strategies, both sides can then identify areas of viable and sustainable cooperation that enable joined-up responses to allies and adversaries alike. This in turn requires urgent clarification by both sides of the preferred structure by which contemporary EU-UK diplomacy will take place in London, Brussels, and key European capitals.

13

University of Surrey | Reset or Recalibration? Brexit's Impact on UK and EU Foreign Policy | Autumn 2021

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14

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15

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